

Public Private Partnership Update

First Years First *Making Early Childhood our Business*

The Early Childhood (EC) Business Committee met in November to move forward the recommendations of the Business Community Investment Advisory Council. From that meeting, partners identified a plan to go to statewide business early in 2008 to ask for financial support.

Key milestones to meet this timeline include:

- Develop the infrastructure needed to support the partnership, a system for the granting process, and further define the focus of the investment fund.
- Foster state level partnerships and put together training to provide resources and information to local areas in building local partnerships.
- Create a logo, brochure and marketing pieces for the partnership to brand itself as the public private partnership for early childhood.
- Put together training, research and technical assistance documents for local partnerships.
- Coordinate with ECI Governance component group and Resources and Funding component group to tie work of public private partnership back to Iowa's early childhood system.

Since the November meeting, steps have been taken to contract with a marketing agency to develop a logo and brochure.

Following the EC Business Committee meeting, a need was identified to update IEB by-laws and the Community Empowerment administrative rules to include the EC Business Committee as a standing committee that will make funding recommendations to the IEB.

Fiscal Accountability Workgroup

The Fiscal Accountability Workgroup is a committee of the Iowa Empowerment Board. This committee meets monthly to address fiscal issues for community empowerment. Its membership consists of fiscal staff from the departments of: Education, Human Services, Administrative Services, Management, State Auditor's Office and Legislative Fiscal Services, as well as members of the Iowa Empowerment Board.

Current Functions of this Workgroup:

- Review current tools and guidance for local boards regarding fiscal matters and will be making recommendations and assisting with development of additional guidance. This includes review of empowerment budgeting and financial statements.
- Along with legal council, the workgroup has provided guidance on empowerment's categorical funding and issues of inappropriate spending;
- Assist with developing and conducting training for local board members, coordinators and fiscal agents;
- Provided initial review of requests for exception to the School Ready Carry-Forward Policy;

Through the work of this group, we hope to build a stronger system of financial accountability for local boards.

This group did make initial recommendations to the Iowa Empowerment Board. Some of those were:

- Adding language regarding fidelity bonding in the fiscal agent agreement.
- Incorporate fiscal management information and procedures into the Community Empowerment Training Series (will begin in March.)
- Reviewing and will be revising information in both the budgets and the end-of-year fiscal reports.
- Some level of fiscal audits or financial reviews be incorporated into the empowerment structure

Minutes and Recommendations are found on the Iowa Community Empowerment website, under Iowa Board.

www.empowerment.state.ia.us.



Iowa Community Empowerment Expenditures and Reporting Policy

The Iowa Legislature, in supporting Community Empowerment with expansion of resources, has created categorical funding streams for specific purposes. The Iowa Empowerment Board and State Empowerment Team provide guidance on those funding streams and have developed mechanisms to strengthen the accountability of the process for building stronger communities in Iowa that support young children and their families.

Because funding allocated to community empowerment has been divided into the various categories, there are specific legislative requirements for how each category must be spent. These parameters are provided through guidance in the Community Empowerment Toolkit.

As part of the accountability process, local boards report their expenditures by category and provide performance measure data for all investments. The State Technical Assistance Team's role is to review the annual reports and ensure funding by categories is used according to the dictated legislative language.

If a local board is determined to not have spent funding as specified by the legislature, the local board will be responsible to rectify the situation. The State Empowerment Team has the authority to support the local board as they work to do so. The State Empowerment Technical Assistance Team will utilize a consistent process for assisting boards with any issues in this area.

Additionally, performance measures data must be gathered by each board. The data are to be submitted as directed by the Office of Empowerment. The State Empowerment Technical Assistance team has the authority to support the local board as they work to ensure information is being collected and reported. The State Empowerment Technical Assistance Team will utilize a consistent process for assisting boards with any issues in this area.

If a local board is unable to rectify any situation, the issue will be brought to the Iowa Empowerment Board.

For more information regarding the uses of the categorical funding, go to the Empowerment Toolkit at: http://www.empowerment.state.ia.us/tool_kit_tools.asp



Community Empowerment School Ready Funds Carry-Forward Policy

**Legislative
Language**

HF 761: New legislative language

The Iowa empowerment board shall identify and apply limitations on the carryforward of school ready children grant funding. The limitations shall address an unusually high percentage of a grant being carried forward, the number of years a grant has been carried forward which shall not exceed three years, and other objective criteria.

The limitations shall make allowances for special circumstances such as the carryforward of funding that is designated for a particular purpose and is scheduled in the grant plan.

The board may provide for redistribution or other redirection of the funding that meets the criteria.

**Recommendations
for Carry-
Forward
Guidance**

Recommendation to define an unusually high percentage as 30% of the annual school ready allocation, based on an accrual reporting system.

For fiscal years ending after July 1, 2006, empowerment areas reporting a carryover balance of school ready funds in excess of 30% of the previous year's allocation will receive a reduction equal to the excess amount above the 30% in their next year's school ready allocation, based on accrual reporting.

**Recommendation
to define
allowances for
special
circumstances**

All local community empowerment areas would receive an automatic waiver for fiscal year during '06 because of the significant increased allocation and stipulations to the School Ready fund for fiscal year '06.

Beginning in fiscal year '07 local CEAs would need to file an appeal to the Iowa Empowerment Board to carryforward more than 30% of their annual school ready allocation. The appeal would provide an opportunity for a local CEA to explain their special circumstances, what particular use they are designating the Carryforward funds toward, discuss how this action is in alignment with their community plan, and describe how this plan benefits Iowa's children and families.

Example:

XYZ Community empowerment board has a Carryforward of 35% in their school ready fund as noted in their 2007 Annual Report (due to the Office of Empowerment on September 15, 2007.)

First Step: The annual report is reviewed by a state team member and the Carryforward noted. The Carryforward amount is verified with the XYZ

empowerment board. (timetable: September 15 – December 31)

Second Step: The XYZ empowerment board may appeal to the Iowa empowerment board. (timetable: January or March IEB meeting)

Third Step: Iowa Empowerment board overturns their decision granting the appeal allowing the additional Carryforward OR they uphold their decision denying the appeal.

Fourth Step: If the appeal is denied the XYZ empowerment area's school ready allocation will be reduced by 5% in the 2009 fiscal year, beginning July 1, 2008.

Redistribution of Funds

Recommendation to the extent the law allows for the Iowa Empowerment Board to redistribute or redirect Carryforward funds to:

Any excess carry forward funds will be distributed to all local boards, through the formula, for locally identified activities that are within the guidelines for use of school ready funds.

Technical Assistance

Contact:
Shanell Wagler, Facilitator
Office of Empowerment
Iowa Department of Management
515-281-4321
Shanell.Wagler@iowa.gov

FY '07 Community Empowerment School Ready Carry-Forward Funding into FY '08

CEA	total SR allocation	total '07 carryforward	% carryforward	\$ over 30%
Adair County	\$180,693.02	\$51,854.10	29%	NA
Adams County	\$153,745.02	\$61,771.05	40%	\$15,647.54
Allamakee, Clayton, Howard, Winneshiek	\$890,445.02	\$261,592.01	29%	NA
Appanoose, Davis, Lucas, Monroe Counties (A.D.L.M.)	\$734,982.02	\$437,461.27	60%	\$216,996.66
Audubon, Carroll, Greene, Guthrie	\$775,674.02	\$135,209.88	17%	NA
Benton	\$313,208.02	\$43,610.28	14%	NA
Black Hawk	\$1,465,693.02	\$325,683.66	22%	NA
Boone	\$368,916.02	\$36,142.77	10%	NA
Bremer Butler Franklin Grundy	\$804,597.02	\$317,713.24	39%	\$76,334.13
Buchanan, Delaware, Fayette	\$914,532.02	\$264,727.57	29%	NA
BV, Crawford, Sac	\$791,085.02	\$225,674.17	29%	NA
Calhoun, Pocahontas, Webster	\$830,976.02	\$107,221.96	13%	NA
Cass, Mills, Montgomery	\$641,593.02	\$164,529.26	26%	NA
Cedar County	\$249,466.02	\$102,489.82	41%	\$27,769.85
Cerro Gordo, Hancock, Worth	\$784,597.00	\$189,401.44	24%	NA
Cherokee, Lyon, Plymouth, Sioux	\$1,088,062.02	\$298,127.14	27%	NA
Chickasaw, Floyd, Mitchell	\$650,036.02	\$129,649.09	20%	NA
Clarke	\$214,807.02	\$63,114.44	29%	NA
Clay, Dickinson, O'Brien, Osceola	\$868,030.02	\$218,573.51	25%	NA
Clinton & Jackson Counties	\$850,422.00	\$801,811.90	94%	\$546,685.30
Dallas	\$515,627.02	\$112,995.41	22%	NA
Decatur (New Board as of 7-1-7)				
Des Moines, Louisa	\$821,771.02	\$213,479.36	26%	NA
Dubuque	\$1,035,640.02	\$233,649.70	23%	NA
Emmet	\$210,706.02	\$42,416.57	20%	NA
Fremont, Page	\$437,882.00	\$47,652.87	11%	NA
Hamilton, Humboldt, Wright	\$635,138.02	\$75,834.03	12%	NA
Hardin	\$301,609.02	\$95,587.18	32%	\$5,104.47
Harrison, Monona, Shelby	\$634,766.02	\$147,273.68	23%	NA
Henry	\$298,550.02	\$66,713.99	22%	NA
Ida	\$172,601.02	\$48,358.99	28%	NA
Iowa	\$231,835.02	\$38,733.57	17%	NA
Jasper	\$422,702.02	\$151,712.86	36%	\$24,902.25
Jefferson, Keokuk	\$439,974.55	\$127,393.36	29%	NA
Johnson	\$993,289.02	\$206,385.26	21%	NA
Jones	\$294,684.02	\$65,545.28	22%	NA
Kossuth, Palo Alto	\$440,765.02	\$56,803.84	13%	NA
Lee, Van Buren	\$640,624.02	\$178,385.43	28%	NA
Linn	\$1,857,877.02	\$554,966.11	30%	NA
Madison	\$197,979.00	\$76,653.45	39%	\$17,259.75
Mahaska-Wapello	\$784,380.75	\$304,317.05	39%	\$69,002.83
Marion	\$386,811.02	\$154,681.15	40%	\$38,637.84
Marshall	\$556,273.02	\$104,209.81	19%	NA
Muscatine	\$606,996.02	\$139,170.55	23%	NA
Polk	\$4,190,665.02	\$712,404.69	17%	NA
Pottawattamie	\$1,108,241.02	\$283,617.49	26%	NA
Poweshiek	\$253,214.02	\$30,156.14	12%	NA
Ringgold	\$180,906.02	\$7,240.53	4%	NA
Scott	\$1,946,995.02	\$960,576.00	49%	\$376,477.50
Story	\$697,044.74	\$233,037.30	33%	\$23,923.88
Tama	\$330,914.02	\$67,778.72	20%	NA
Taylor	\$184,749.02	\$35,945.33	19%	NA
Union	\$242,368.02	\$28,446.18	12%	NA

FY '07 Community Empowerment School Ready Carry-Forward Funding into FY '08

CEA	total SR allocation	total '07 carryforward	% carryforward	\$ over 30%
Warren	\$468,769.02	\$160,577.30	34%	\$19,946.59
Washington	\$320,427.02	\$23,212.25	7%	NA
Wayne	\$184,582.02	\$61,106.34	33%	\$5,731.73
Winnebago	\$195,359.02	\$71,574.06	37%	\$14,309.76
Woodbury	\$1,435,624.02	\$212,541.53	15%	NA
SUBTOTAL	\$38,229,898.04	\$10,367,491.92	27%	\$1,478,730.08
Decatur (Ending SR balance of Previous Board)	\$204,947.02	\$53,467.16	26%	NA
TOTALS	\$38,434,845.06	\$10,420,959.08	27%	\$1,478,730.08
Summary Notes:				
*15 areas were above the 30% carryforward limit				
*This amounted to a total of \$1,483,730.19				
*The 1,483,730.19 is subject to the IEB's policy and will be lessened from the local board's '09 allocation and utilized in the formula.				
*The average carry forward percentage of the 15 boards was 43%.				
*(of the 15 areas) The highest carry forward % was for Clinton Jackson and it was at 94% (\$546,685)				
*(of the 15 areas) The lowest carry forward % was 32% for Hardin County.				

Options for Strengthening Empowerment Infrastructure

Item	Description	Amount
<i>State Technical Assistance Team</i>	<i>6 Departments x \$50,000/Department (including .5 FTE/Department)</i>	<i>\$300,000</i>
<i>Fiscal Accountability Coordinator</i>	<i>Staff member of the Office of Empowerment and member of the TA team</i>	<i>\$115,000</i>
<i>Accounting support for Departments of Education and Human Services</i>	<i>\$20,000 x 2 Departments</i>	<i>\$40,000</i>
<i>Training and Tools Development</i>	<i>Development of tools and training materials for local accountability through financial contractor</i>	<i>\$45,000</i>
<i>Fiscal Reviews of Empowerment Area Boards</i>	<i>Funds to be used for random fiscal reviews of local boards</i>	<i>\$450,000</i>
<i>Provider Fiscal Reviews</i>	<i>Funds to be used by local community empowerment boards for fiscal reviews of providers</i>	<i>\$450,000</i>

Justification:

State Technical Assistance Team:

The State Empowerment Technical Assistance Team (Team) provides staff support to the Iowa Empowerment Board and Community Empowerment Areas across Iowa. This group is made up of members from the departments of: Economic Development, Education, Human Rights, Human Services, Management, Public Health and Workforce Development. The Team coordinates and delivers assistance through a technical assistance system and supports state and local-level collaboration. Currently, Team members are donated by each department that supports Community Empowerment. Each department contributes a .5 FTE towards this effort.

Community empowerment as a whole has more than doubled in its state appropriation over the past two years but the infrastructure has not grown at the same pace. Added responsibilities are at both the local and at the state level. With that increase in funds and responsibility at the local level, boards are turning more to the state technical assistance team for assistance and guidance. Accountability is vital and evidenced through local board's planning and implementation. They request and rely on the state technical assistance team to serve as that necessary partner to assist them with the work.

Fiscal Accountability Coordinator:

The need has arisen for TA team membership to have more fiscal knowledge. The addition of a Fiscal Accountability Coordinator would support the role of the TA team and add additional expertise to the Office of Empowerment to appropriately meet the needs of local areas. This person can build on tools, guidance and review of the fiscal process of community empowerment. This person could serve as lead staff of the Fiscal Accountability Workgroup.

The Fiscal Accountability Workgroup is a committee of the Iowa Empowerment Board. This committee meets as necessary to address fiscal issues for community empowerment. Its membership consists of fiscal staff from the departments of: Education, Human Services, Administrative Services, Management, State Auditor's Office and Legislative Fiscal Services, as well as members of the Iowa Empowerment Board.

Accounting Support for the Departments of Education and Human Services

The Departments of Education and Human Services are responsible for the accounting and distribution of funds to local empowerment areas. The Department of Education accounts for and distributes School Ready Funds; the Department of Human Services accounts for and distributes Early Childhood Funds. Neither department receives financial assistance for this relationship. With additional funds to support their accounting services, both departments could add additional accounting and verification measures to support increased accountability of the funds.

Training and Tool Development

Funds would support development of training documents and tools to support local boards in developing accountability measures for their area. This would be done through contracted services with fiscal professionals. It would also support training and professional development of team members to increase their knowledge and ability to support local boards, however; more specific support and technical assistance would come from the Fiscal Accountability Coordinator.

Fiscal Reviews

In order to assure fiscal accountability, the Office of Empowerment would use this funding to work with fiscal staff of state agencies to conduct financial reviews of local empowerment area boards.

Provider Fiscal Reviews

This is a strategy being discussed to allow for strengthened local accountability. Funds would be available to local boards to support them in conducting fiscal reviews of the local providers to assure appropriate use of empowerment funding at the local level.